GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Extension of certain incentives under Andhra Pradesh Textile Policy 2015-20 to M/s. Vasantha Industries Ltd., at Thimmapuram (V),Edlapadu (M), Guntur District. – Orders- Issued.

INDUSTRIES & COMMERCE (PROGRAMME -II) DEPARTMENT

G.O.MS.No. 13 Dated: 11-01-2016

Read the following:-

1. From M/s. Vasantha Industries Ltd., Lr.Dt:25.07.2015.
2. 2nd Empowered Committee Meeting held on 09.11.2015
3. State Investment Promotion Board Meeting held on 7.11.2015.

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O R D E R:-

In the letter 1st read above, M/s. Vasantha Industries Ltd., has informed that they have established an integrated state of the art cotton textile industry at Thimmapuram Village, Edlapadu Mandal, Guntur District in the year 2005. The Company proposed to undertake expansion with an investment of Rs. 159.00 Cr with a potential to create employment to 300 persons directly and 1200 persons indirectly. The Company requested for extending the following incentives/Benefits:

(a) Requests within the Policy:

(i) Reimbursement of 100% stamp duty and transfer duty for mortgages and hypothecations.

(ii) Reimbursement of 100% VAT/CST/SGST paid by unit on Purchases of intermediate product /raw material.

(iii) Delinking of interest subsidy @ 7.5% per annum and all other benefits extended to Spinning under the Textile and Apparel Policy 2015-2020 and Industrial Development Policy 2015- 2020, as already been done by Maharashtra Government vide their Government Resolution No.2012/C.R.257/Tex-2, dated: 21.02.2014

(iv) 25% on Cleaner production measures

(b) Requests outside the Policy:

(i) Reimbursement of net VAT/CST/SGST for tax collected on end product /intermediate product to the extent of 100% for a period of 8 years.

(ii) Stabilization of power cost by regulating the power cost reimbursement on a quarterly basis to ensure that the power cost to the industry is pegged down to Rs.3.49/ unit.

(iii) Supply of qualitative and uninterrupted power and sanction of Rs. 10.60 Crores towards infrastructure assistance for setting up of a 132 KVA substation.

(iv) Pipeline for supply of Industrial water of 1 MLD from NAKKAVAGU to Edlapadu and Thimmapuram Villages, Edlapadu Mandal, Guntur District. The estimated cost is Rs.1.70 Crore.

Or

Infrastructure assistance and permission by sanction of Rs. 1.5 Crores towards cost of digging bore well and laying pipeline in their private land.

(P.T.O)

(v) 100% reimbursement of skill up gradation and training man power @ Rs.10,000 per person.

(vi) Interest subsidy of 7.5% to be extended to additional line of activity corrugated - box manufacturing unit pertaining to their unit.

(vii) Permission to lay 132 KVA Pole type tower line (single pole) from the nearest 132/33 KVA Chilakaluripet substation.

(viii) Exemption/reimbursement of charges / fees payable to APCRDA for construction of the expansion /diversification units.

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. Vasantha Industries Ltd., and recommended extending certain incentives and further recommended for placing the proposal before the SIPB.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) have discussed the proposal of M/s. Vasantha Industries Ltd., in detail and decided to extend the following incentives:

(i) To consider external infrastructure assistance for a dedicated (132) KV sub-station and power line for an amount of Rs 5.00 crores or as per the actuals, whichever is less, from the IIDF funds. The assistance will be directly paid to the DISCOM/ Transco.

(ii) To provide interest subsidy @ 7% on 40% of the capital cost of in-house corrugated box manufacturing facility used for captive purpose only for a period of (5) years, subject to an overall ceiling of Rs. 1.5 crores and subject to the further condition that at least 40% of the annual production of the corrugated boxes shall be used for captive consumption. The General Manager, DIC, Guntur shall ensure that the capital cost considered for interest subsidy shall be limited in proportion to the captive consumption.

(iii) Reimbursement of training cost @ Rs.10,000 per person for a maximum of 300 persons.

(iv) All other benefits as per Textile & Apparel Policy 2015-20.

4. The Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s. Vasantha Industries Ltd., for proposed expansion of the company with an investment of Rs. 159.00 crores with a potential to create employment to 300 persons directly and 1,200 indirectly:

(i) To consider external infrastructure assistance for a dedicated (132) KV sub-station and power line for an amount of Rs 5.00 crores (Rupees Five crores rupees only) or as per the actuals, whichever is less, from the IIDF funds. The assistance will be directly paid to the DISCOM/ Transco.

(Cont..d)

(ii) To provide interest subsidy @ 7 % on 40 % of the capital cost of in-house corrugated box manufacturing facility used for captive purpose only for a period of (5) years, subject to an overall ceiling of Rs. 1.50 crores (Rupees One crore Fifty lakhs only) and subject to the further condition that at least 40% of the annual production of the corrugated boxes shall be used for captive consumption. The General Manager, DIC Guntur shall ensure that the capital cost considered for interest subsidy shall be limited in proportion to the captive consumption.

(iii) Reimbursement of training cost @ Rs.10,000 per person for a maximum of (300) persons.

(iv) All other benefits as per the A.P. Textile & Apparel Policy 2015-20.

5. The Commissioner of Handlooms and Textiles /Director of Industries, A.P, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

NARESH PEUNUMAKA
E.O.SECRETARY TO GOVERNMENT

To
The Commissioner of Handlooms and Textiles,
Andhra Pradesh, Hyderabad.
The Director of Industries, A.P., Hyderabad.
M/s. Vasantha Industries Ltd., through the Director of Industries.

Copy to:
The Finance (EBS-VIII)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Dept. .
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Chairman & Managing Director, APTRANSCO., Hyderabad
The Managing Director, APSPDC Ltd., Kurnool
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S.to E.O. Secretary to Government,Ind & Com Dept.
SC/SF.

// FORWARDED:: BY ORDER//

SECTION OFFICER